

**FINAL REPORT**

**CITIES MATTER:  
ANALYZING THE PRACTICES THAT WORK  
IN THE AGE OF DECENTRALIZATION**

**Annapolis, Maryland  
February 11–16, 2001**

Prepared for

U.S. Agency for International Development  
G/ENV/UP

By

INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION  
Sustainable Urban Management  
USAID Contract No. LAG-I-00-99-00008-00  
Task Order No. 04

## TABLE OF CONTENTS

<b>1</b>	<b>Course Summary .....</b>	<b>1</b>
<b>2</b>	<b>Perspectives of the Participants.....</b>	<b>4</b>
<b>3</b>	<b>Recommendations and Conclusions.....</b>	<b>5</b>
<b>4</b>	<b>Next Steps .....</b>	<b>6</b>
4.1	Follow-on Courses .....	6
4.2	Course Follow-up.....	7

**Attachment A.** Participant Strategies

## **ABSTRACT**

The “Cities Matter: Analyzing Lessons Learned in the Age of Decentralization” course took place in Annapolis, Maryland, February 11–16, 2001. The course allowed participants from 14 countries to compare the status of decentralization in their respective countries and to share lessons learned during the process. This report reviews the results of the course from the perspectives of both the facilitators and the participants. Section 1 offers a summary of the course, highlighting the most important contributions. Section 2 provides a detailed summary of the participant evaluations. The last section, Section 3, offers recommendations that reflect a synthesis of views of the facilitators and the participants. A training manual based on this course has also been developed.

## **ACKNOWLEDGEMENTS**

ICMA would like to thank USAID for recognizing the value of effective local government and demonstrating its commitment to the improvement of human settlements by funding this course.

Principal facilitators were Deborah Kimble, Director, ICMA Municipal Governance and Management Programs; Akhtar Badshah, Urban Policy Specialist; Lydia Bjornlund, ICMA Training Advisor; and Jane Stockman, ICMA Program Assistant for Europe and Eurasia. Special thanks to Timothy Campbell, World Bank Urban Policy Advisor; Crinu Andanut, Sibiu County Economic Development; Janusz Szewczuk, Poland Local Government Consultant; Morris Israel, USAID/LAC/DC; Ann Arundel County Water Operations staff; and Vesta Kimble, Deputy Director, Ann Arundel County Social Services.

# **FINAL REPORT**

## **CITIES MATTER: ANALYZING LESSONS LEARNED IN THE AGE OF DECENTRALIZATION**

The “Cities Matter: Analyzing Lessons Learned in the Age of Decentralization” course took place in Annapolis, Maryland, February 11–16, 2001. The course allowed participants from 14 countries to compare the status of decentralization in their respective countries and to share lessons learned during the process. The course objectives were:

1. To determine the importance the following three factors have in explaining success:
  - The genesis of decentralization and degree to which it has become institutionalized in the participants’ countries
  - The impact of decentralization on urban services (e.g., water, sewer, transportation); social welfare services (e.g., health, education); and economic development
  - The practices and strategies that are used.
2. To develop the framework for programs in the participants’ respective countries, replicating the practices of successful cities.

This report reviews the results of the course from the perspectives of both the facilitators and the participants. Section 1 offers a summary of the course, highlighting the most important contributions. Section 2 provides a detailed summary of the participant evaluations. The last section, Section 3, offers recommendations that reflect a synthesis of views of the facilitators and the participants. A training manual based on this course has also been developed.

### **1 COURSE SUMMARY**

Decentralization assumed tidal wave proportions worldwide with the fall of the Berlin Wall; however, a more silent wave had moved through Latin American countries earlier. This was one of the more important highlights of the course, and one that allowed participants to realize how dynamic the decentralization process is. The course presentations described how decentralization moves along a continuum of more or less, and explained the several dimensions by which the progress of decentralization should be measured. Day 1 focused on establishing a framework by which to examine lessons learned. Tim Campbell, Advisor in Urban Development from The World Bank, provided an insightful retrospective on decentralization. He identified five reforms between 1983 and 1997 that are fundamental to sustainable institutional reform at the local level:

- Reforms in finance and functions
- Increased local spending as a percentage of total public spending
- Democratization and a sharing of political power

- Change in the contract of governance; locus of decision-making shifted to the local level
- New participatory model of governance and innovations.

Using this as a base, participants examined the degree of decentralization of each participating country. This session was critical to understanding the remaining aspects of the course. Participants reviewed the legislation of their respective countries and determined to what degree the laws allowed for effective local government practices to be instituted. In this review, participants used three cornerstones of effective local government as indicators:

- Citizen participation, defined as the right to direct, individual, and reoccurring local elections of mayors and members of the legislative body
- Own source revenue generation and administrative authority for expenditure decisions
- Administrative and management autonomy, characterized as determining local functions and using competency based employment practices.

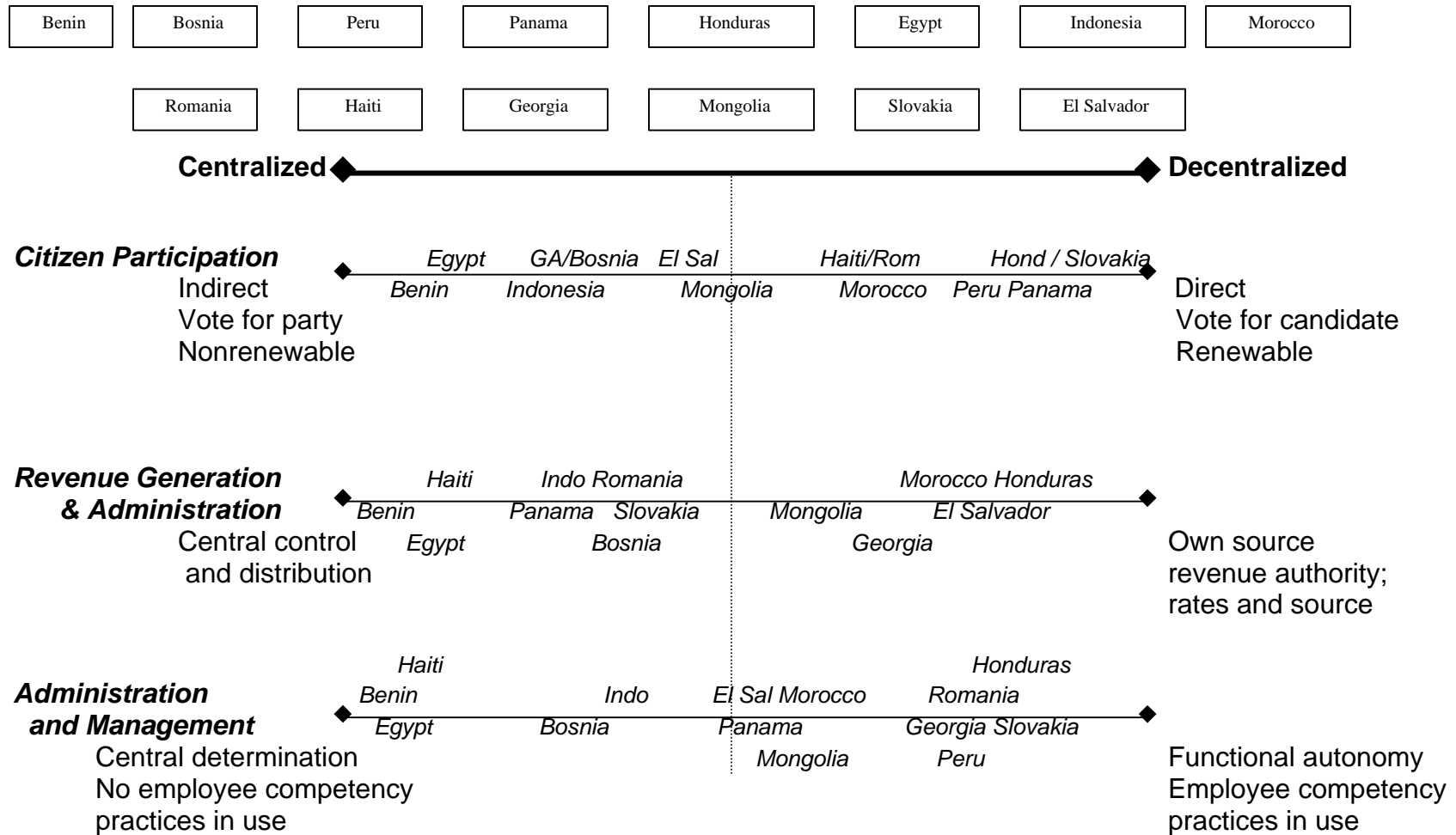
Recognizing the difficulty in implementation, a second factor considered in analyzing each country's relative degree of decentralization was the conditions and capacity of local government officials as of February 2001. Many of the points plotted reflect a judgment made by the facilitator, in discussion with the presenter, which considers the variance between the intent of the law and the actual practices occurring in the country at this time.

Figure 1 provides the results of the analysis. Participants found that most of their governments have an adequate decentralization framework defined in laws, decrees, or constitutional amendments; however, in practice the governments remain highly centralized. In limited cases, subsequent decrees by the government have re-centralized fiscal authority. The results of the session analyzing the status of decentralization demonstrate the continued effort to improve the capacity of local government officials, something noted in nearly all of the strategy frameworks completed for the course.

Specific sectoral analysis, through the use of case studies from the United States and other countries, was the focus of Days 2, 3, and 4. In particular, presenters discussed what practices were critical to success and sustainability beyond what was provided for in the law. Some of the critical practices focused on leadership, courage of community leaders, cooperation among community groups including the local government and central government, and building local citizens' capacity through training and exposure to new ideas. Cases were presented on the following:

- Sibiu Development Agency, Romania
- Local Government Partnership Program of Poland
- Institutional Arrangements for Rural Communities in Nicaragua and Honduras
- Anne Arundel Water Operations

**Figure 1. Charting Decentralization**



- Dubna (Russia) Self-Help Model
- Anne Arundel County Department of Social Services—Job Center, Learning Center, and Family Support Center.

In addition to the observations stated above, a second important factor that emerged from the sessions was the interrelatedness of the three service sectors examined in the course, regarding the independent inputs and impacts of each sector. For example, El Salvador's strategic framework focused on water resources, watershed, and access to water. This framework required El Salvador to pay attention to improving the water treatment and distribution systems, ensuring cost recovery and affordability, enacting legislation to protect the watershed, and developing a master plan that would ensure access to water for all citizens.

The social service discussion illuminated a distressing but important impact of decentralization. Primarily, it became clear that while local communities are able to respond to special need or disenfranchised sectors of the community, resources are scarce and generally not harnessed in mainstream programs such as economic development. If resources were considered as a factor in improving the community, there might be a chance to increase funding from the business sector. One example of this was the banks providing funding for schools in Morocco. A critical lesson learned during the course was that local governments should include provision of social services for disenfranchised groups in overall community and social strategies, as was done in Sibiu, Romania.

The last day of the course was a culmination of work completed during the week. Each country team selected a community or city in its country and identified at least two areas that could be improved through a new practice or adjustment in current laws. (For countries represented by a single individual, a participant from USAID/Washington joined the country team.)

The resulting strategies were insightful. As stated above, the interrelatedness of the three sectors became clear to the participants. Equally important was their recognition that existing laws needed to be put into practice. The participant strategies are provided in Attachment A.

## **2 PERSPECTIVES OF THE PARTICIPANTS**

Participants completed a detailed course evaluation that allowed them to give general comments on the overall value of the course, and specific comments on each session. General comments suggested that the course met the overall objectives of the participants. Numerically, the course was graded 8.1 (out of a possible 10). Reason given for this grade ranged from the general efficiency and completeness of the course to the satisfaction with the presenters, such as Tim Campbell and Crinu Andanut. More specifically, participants felt that the course:

- Presented an opportunity for sharing of country experiences
- Brought clarity to the definition of decentralization and the impact it has on service delivery
- Clarified the process of decentralization

- Demonstrated that decentralized practices “give more insurance that decentralization, adequately planned and implemented, will yield good results”
- Allowed participants to identify common variables or principles.

Other comments suggested that the overview for the course and the process for analyzing the status of decentralization of each country were very useful. There seemed to be a disconnect, however, from Day 1 to “Urban Realities” and subsequent presentations.

Two of the presentations, “Urban Realities” and “Economic Development in Poland,” should have been reviewed and tightened to ensure that they met the objectives stated. As well, the site visit for water services required a better link to the course presentation made on Day 3.

The social service day provided insights for participants and facilitators alike. Participants found the analysis of what a social service was, and what impacts it had, very useful. The participants learned that defining a framework for analyzing social services as part of the main-stream activities of a local government is critical if the programs are to be seen as necessary to the overall improvement of citizens’ quality of life.

Participants gave mixed reviews of the setting. Some found it very conducive to the learning experience and camaraderie between participants, while others felt it was restrictive. Views on the course facilities, however, did not seem to affect the overall benefit that participants derived from the course.

### **3 RECOMMENDATIONS AND CONCLUSIONS**

To the degree possible, the following recommendations and conclusions have been incorporated into, or noted as important in, the training manual for the course.

- The results of the “Charting Decentralization” session need to be linked to the remaining course outcomes, and their implications for USAID strategy need to be discussed. Each day should begin with a description of how the day’s topic relates back to the factors considered in the “Charting Decentralization” session. Further, there needs to be a more targeted discussion on urban realities that provides a general link between Day 1 and the remaining days of the course, one that demonstrates the interrelatedness of the services examined. This change has been made in the training manual.
- The mix of participating countries added richness to the course, but more importantly it demonstrated that there are common problems related to the decentralization process. Solutions in one country may be adaptable for other countries and regions.
- It is more realistic to craft strategies in a single community and then implement them on a larger scale. Participants were able to see the potential results of a strategy when they examined it in the context of a real place.
- Decentralization is not the same as municipalization. Broadening the geographic spread allows for both rural and urban problems to be addressed equally.



## 4 NEXT STEPS

### 4.1 Follow-on Courses

1. According to participant feedback, a course on “Effective Local Government Strategies for Social Services” should be developed. Social, or human, services become marginalized when discussing mainstream issues such as environmental services, economic development, or budget and finance. Rather than a course on social service delivery independent of local government, ICMA recommends a course that shows how current municipal services (in most countries these include health and education) address the clientele represented by most social service programs, typically citizens in poverty.

This course would be designed around two axes: beneficiaries of social services and municipal (rather than just community) programs and/or services that are offered. When this matrix was used in the course participants began to see how many more services of local governments could be construed as “social services.”

2. A second course that should be considered is “Cities Matter: Principles and Practices of Expenditure Management.” Most budget and finance courses miss the connection between revenue generation and the discipline of expenditure management. They focus on getting financing or raising revenues but fail to address the management practices necessary to sustain revenues or repay debt from tariffs (or dedicated general fund revenues).

Most developing and transitional countries rely on general revenue transfers from the central government for operating and capital budgets. The funds are general in nature, thus giving the local government flexibility in assigning the revenues to specific programs. If the cost of a service is more than the revenues allocated for the service, local governments are simply transferring more general revenue transfer dollars to the service. This is an approach used by Filipino local governments when making payments on World Bank sub-loans. Since there is a push to have local governments go to the credit markets, the practice of transferring additional general revenues for debt service will become even more widespread unless:

- Local governments implement better monitoring and auditing practices
- Local officials understand how to manage expenditures by reducing the input costs of a service—labor, raw materials, facility maintenance, etc.

Improving the management of services does the latter, but most local government officials in transitional and developing countries are so focused on revenues that they do not realize that better management can increase resources by lowering costs. Most important, better management can assist local officials in using municipal debt prudently and can reduce the rate of default (either actual or de facto default, as demonstrated by transferring unbudgeted general funds to pay off the debt).

Every Cities Matter course offered to date has had a budget and finance day; and participants almost always recommend that a full course be dedicated to this topic.

## 4.2 Course Follow-up

The impact of all the Cities Matter courses has not been determined. To date, none of the task orders have required it, yet there is a need to understand this. A few ideas for course follow-up to improve the courses' impact have been offered by participants:

**1. Electronic Network:** At the end of each course, participants receive a list of all participants' names, positions, telephone numbers, and e-mail addresses. It may be worth pursuing the establishment of a "chat room," tied to the "Making Cities Work" Web page, for past participants of Cities Matter courses.

**2. Cities Matter Newsletter:** The Municipal Development and Management contract (MDM), under which the first Cities Matter courses were offered, called for a quarterly newsletter (*Cities International*) to be distributed to a wide network of people and institutions. The articles in the newsletter were not directly tied to any one USAID program. Former readers of the newsletter continue to call ICMA to ask if the newsletter is still being published.

A similar newsletter could be developed for past participants of Cities Matter courses. Articles in the newsletter could be based on participants' best practices resulting from attending the courses. The newsletter could be in electronic format and, again, linked to the "Making Cities Work" Web page.

**3. Training of Trainers:** The Cities Matter courses are designed for different audiences—donor staff, national policy makers, and local government officials. A group of participants could be trained as course facilitators and could offer the courses in their geographic region or country. In some of the courses, participants have represented local government associations; association representatives would be an ideal group to train as trainers.



**ATTACHMENT A**  
**PARTICIPANT STRATEGIES**



# **BOSNIA AND HERZEGOVINA**

## **District of Brcko**

**The Brcko District is a very visible area in terms of political and economical reforms and development .**

### **2. Service Area: Economic Development**

Functional Aspect: Enabling Legislation

#### a) Positive Factors:

- leadership oriented toward economic development
- decentralized decision making status comparing higher level of the government
- trade business developed
- port city and junction of traffic ways
- agricultural potentials very expressed and food processing industry facilities in place

#### b) To do:

- pass the legislation that will give incentive for both domestic business development and attracting foreign investments
- development of the economic development strategy
- leadership basing its work on western practices

#### c) Actions recommended:

- Form the Committee for Economic Development that would involve all interested parties in the preparation of the strategy (LG, businessmen, citizen groups, local economic experts, etc.)
- Regulate the trade and develop the infrastructure needed

#### d) Expected Results:

- Economic development regulated on local design basis
- Revenue generation improved

### **3. Dissemination of good practices**

- Amending existing laws
- Institutional strengthening

**2. Service Area: Environmental Services and Utility Area**

Functional Aspect: Improving Public Works and Utility Sector

a) Positive Factors:

- leadership oriented to have efficient and effective service to the community
- good initial results and possibility to modernize service upon successful economic development

b) To do:

- pass the legislation on environmental issues
- development of the environmental services work plan for the community
- leadership basing its work on western practices

c) Actions recommended:

- Institutional and activity development strengthening
- Regulation of trash collection and solid waste management

d) Expected Results:

- Public Works and Utility development sector achieved sustainability in no less than 70%
- Extent of the law enforcement practices is satisfying
- Public awareness on environmental protection increased
- Environmental protection improved

**3. Dissemination of good practices**

- Amending existing laws
- Institutional strengthening
- Increasing public awareness

**2. Service Area: Social and Human Services**

Functional Aspect: Social Care and Health in regard to the elderly and immovable people

a) Positive Factors:

- NGO sector developed
- leadership oriented to support progressive efforts
- decentralized status of the decision making bodies in respect to the higher levels of the government

b) To do:

- Advocate for establishment of the service based on voluntary basis

- Prepare the implementation plan
  - leadership coordinate activities with the local authorities and external partners for raising support to the planned activities of
- c) Actions recommended:
- Form the core group of coordinators
  - Work with the youth centers and the schools for recruitment of youngsters
  - Increase the public awareness and give incentive to those involved and those supporting the process ( stipends for participation, public recognition of the businesses supporting such activities, etc.)
  - Coordinate efforts with local authorities in resolving the issue on long-term basis
  - Advocate for tax relief for those supporting humanitarian activities
- d) Expected Results:
- New practice of social care in place and the gap in that area is filled up
  - Engaging young population in humanitarian work and getting them out of streets

### **3. Dissemination of good practices**

- Amendment of Tax laws related to area of humanitarian assistance
- Reforming of social care implementation practices
- Institutional strengthening
- Public Awareness campaign



## EL SALVADOR

### EXERCISE: APPLYING LESSONS LEARNED

#### 1. SUBJECT SELECTED

“Tetralogia” A mixed (Municipalities and private sector) intermunicipal enterprise formed by 4 municipalities of El Salvador, located in the Department of Usulután, (Santiago de María, Tecapan, Mercedes Umana and Puerto El Triunfo.)

The water delivery System was centralized at the central Government level. The system wasn't efficient and very restricted to few urban users. (Aprox. 1800 users) .

Since 1999 a local agreement was reached between the Municipal authorities and the central government authority to deconcentrate the water system for those municipalities. Consequently a mixed enterprise, TETRALOGIA SA. DE CV started operations at the end of 1999.

This enterprise provides opportunity to sell stock to the public, but this action just started. (Each municipality has provided funds for this activity.)

#### 2. FUNCTIONAL ASPECTS

<b>ECONOMIC DEVELOPMENT</b>	<b>ENVIRONMENTAL SERVICES</b>	<b>SOCIAL/HUMAN SERVICES</b>
Cost recovery of water services provided and income's increase to expand services.	Protection of Watersheds	Improve living conditions by providing access to water and expanding water services with efficiency.
<p>A.1 Promotion and opening to private sector's entrepreneurs for Tetralogia S.A. de C.V.,</p> <p>A.2 Modernization of a tariff system and collection of payments.</p> <p>B.1 Implement more training and enhance technical support.</p> <p>B.2 Technical Assistance to determine a cost analysis in alternatives of efficient tariff and collection.</p>	<p>A.1 Reforestation efforts of the watershed through participation of local NGO's.</p> <p>A.2 Intermunicipal and Inter-institutional coordination at local level for education of environmental issues.</p> <p>B.1 Financial cooperation NGO's for this efforts to be implemented base on results achieved.</p> <p>B.2 Incorporation of sectoral representatives (education &amp; environment) into the Development</p>	<p>A.1 High level of citizen participation in the strategic planning of the activity.</p> <p>A.2 Special group of interest for accessing water service should be organized at the Rural Level.</p> <p>B.1 Contracting a local NGO to implement the above mentioned actions in order to expand the service.</p>

<p>C. Recommendation: The Strategic planning for “Tetralogia” must be business oriented. All the participant municipalities should be involved together with the representatives of the private sector.</p> <p>D. To increase the income generation to \$XXXX amount in order to make the of Tetra logia company a sustainable and profitable enterprise.</p>	<p>Committee at the local level.</p> <p>C. Recommendation: The municipalities involved with Tetralogia must have ordinances to support the actions implemented by the NGOs and also a permanent campaign with vision of sustainable efforts.</p> <p>D. To have a definition of a regulatory entity for water distribution</p>	<p>C. Recommendation: A close coordination with the Ministry of Health must be established in order to ensure the quality of water.</p> <p>D. Increase to 5000 families (rural and urban) the provision of water service in a 2 years term and push for the decentralization of this activity in full term.</p>
<p><b>3. The approval of a water law by the National Assembly.</b></p>		

**REPUBLIC OF GEORGIA**  
**City of Borjomi, Population 40,800**

**Economic Development** – Tourism and Mineral Water

**Environmental Services** – Trash pickup and clean up of area

**Social Services** – Improvement of Public Housing

Creation of Citizen Empowerment Zone – Facilitating local and national cooperation to develop local solutions to local problems.

Local Empowerment board created with membership from local citizen NGO's, local govt. council representatives, representative from local executive, regional representative to parliament or his/her representative, local business community, local education providers, and others as needed.

- Empowerment board creates and prioritizes list of problems/obstacles impeding development of local tourism trade, i.e. local health spas, mountain resorts, and bottling plant of "Borjomi mineral water."
- Board creates a list of available resources and strengths available to draw upon. i.e. local, national, international, local leadership, volunteerism, money, etc.
- Draft action plan created and public hearings held in neighborhoods throughout city.
- Public comments incorporated into final action plan

Improvement of Public Housing – Promotion of Condominium/Home Owner associations.

Strengths – Privatization started, informal building associations formed in some places

- Passage of local legislation to allow for formal formation of associations
- Develop information campaigns on value and functions of a housing associations – use of citizen empowerment boards
- Training sessions for newly developed housing associations – i.e. bookkeeping, management, etc.
- Local council facilitates meetings between local services providers; i.e. trash, utilities, and associations members

In both of these activities the desired goal is to facilitate a change in both attitude and work in resolving local problems with increased input at local level and less reliance on central govt. to fix everything. Also begin a process of showing the local population what they can do on their own instead of waiting for someone else to fix their problems.

Democracy and Governance issues:

- Legislation needed to give more financial control to local councils, taxing authority, budget formation, etc.
- Passage of legislation requiring direct election of mayors and governors. (currently appointed by President)

This could be accomplished by using the Council Association of Georgia(CAG), an association made of local and regional councils to provide training for new council members. CAG could use its network of local council members to start a dialog and build a consensus of what legislative changes are needed to make local councils more effective. CAG could then lobby the parliament for these changes.

## **HONDURAS**

### **Villanueva**

#### **Background**

Northwest of San Pedro Sula, textile industry for export to US, lack of infrastructure, public safety, absence of public-private partnerships, Caribbean Basin Initiative means a quota expansion for five years, 5% economic growth in year 2000 in textile sector, as opposed to negative or minimal growth in agriculture, fishing, timber industries, etc. Coverage of basic services is 98% coverage for solid waste, 70% for coverage water, 47% coverage for sewage.

#### **Functional aspect of economic development – Facilitating transactional costs – Customs house to facilitate clearance and streamlining transaction costs**

##### a) Positive community factors

- mayor with leadership qualities, has shown a great deal initiative, economic development is a priority – political will
- access roads to Puerto Cortez (45 minutes transportation) – location to ports

##### b) On-site customs clearance

##### c) Actions to take

- Discuss with industries the interest in this service residing in Villanueva (will this service address need),
- Initiate dialogue among central government and municipalities to enable customs processes to be done in Villanueva,
- Public education campaign

d) Export-oriented industry promotion on the national level, so this action is in line with broader national interests. GOH being pushed to decentralize in order to meet G12 Hurricane Mitch objectives (as outlined in Stockholm 1998).

#### **Functional aspect of environmental services – water and sanitation improvement, contingent on consultation with users/light industry manufacturers**

##### a) Positive community factors

- Partial recovery of costs for three primary services: solid waste (98% coverage), water (70% coverage), and sewage (47% coverage)
- Existing system with relatively high coverage of urban population

##### b) Speak with industries to discuss needed improvements to services

##### c) Actions to take

- Determine what are the responsibilities of the Central government versus municipalities; who develops infrastructure?; who runs operations?
- Make incremental improvements in accordance with discussions

d) Municipalities in Honduras manage public services in cooperation with the central government. Facilitating incremental improvement in services will demonstrate local government capacity and provide evidence that decentralization of public works can occur.

Functional aspect of social services – **vocational training – public-private partnership**

- a) Positive community factors
    - Available existing programs to use as models
    - Industries are already engaged in educational/training programs in other parts of the country
  - b) Needs assessment to determine the skills lacking that industries need at present and project needing; determine how well labor force matches the needs of job markets; identify a target population (high school, entry level workers, middle management)
  - c) Actions to take
    - Identify industry leaders/chamber of commerce/NGOs delivering assistance in order to build consensus and gain support
    - Assess other USAID technical training programs and establish linkages
  - d) Expected result is better trained labor force for the textile industry. This public-private partnership is in line with decentralization in Honduras as there is a national push to facilitate export-oriented industries.
3. Promote and support passage of proposed legislation to accelerate decentralization of management and operation of public services, specifically water and sewage services.

## INDONESIA

### 1. Makassar City, Location South Sulawesi, Indonesia

Population : 1.400.000 inhabitants

Economic Base : Agricultural products trading ( cocoa beans, Coffee, Cashewnut, Fishing, etc ), Port ?trade Center.

#### 2.1 Improve Services For Business/Traders

Businesses complain that the local Government does not provide services. LG complains that it receives no benefits from the trading

- a. International port city. Organized business associations ( cocoa , coffee. Cashew traders association , Chamber of commerce). Hasanudin university.
- b. Get them to work together to improve business services and increase revenues for the local government. Take advantage of all the trade in the city.
- c. Develop a consensus building process, bring together the business associations, university, local government and other local NGOs to develop a plan of action ( strategic plan).
- d. Creation of a business development and service center. Identify which of the partners can provide the following ; a building to host the center, staff for the center, internet and telephone services, loan services, storage facilities, process to issue business permit more efficiently. Transparency. Experience with a consensus building process. Identification of way of local revenues can be raised and used to support businesses. Open economic market.

- 3 Use a model for other port city. Demonstrate that economic development decision at the local level can be very effective. Assistance with making local government more transparent

## **2.2 Reduce flooding in the city**

- a. (1) High awareness among the LG and citizens that flooding is a problem that needs to be addressed.  
(2) Donors: JICA funding studies to identify the causes of the flooding and map flood prone areas.
- b. Donor assistance: Use the maps to educate the people on the causes of the flooding and the vulnerable areas. Educate people what to do when there is flood. Provide technical analyses of the flooding problems and identification of possible solutions.
- c. City consultation process: Establish local committee with multi-sectoral representation to address the problem of flooding. Donors will help facilitate the establishment of local committee. Work with community and business groups, Chamber of Commerce, and other NGOs. Use technical assistance from donors to analyze the problem and develop possible solutions. Use GIS for analysis. Train local officials and partners to use GIS.
- d. More people will understand the problem and the proposed solutions.  
Cooperative effort to address the problem.  
Strategy developed to minimize flooding.  
Partners identified to help mitigate the problem.

## **3. Capacity building at the local level.**

- GIS capability and analysis
- Gain experience with city consultation process
- Demonstrate the value of building GIS capacity at the local level and not just at the national level.



### **2.3 Resettlement of the fishing village**

Slum are along the coast. Very densely populated, unsanitary conditions, no garbage collection and disposal, flood prone area, poor health of children.

- a. Government has the land for resettlement that is close to the shore and government has the funds for the resettlement.
- b. Need to get the fisherfolk in the village to trust the government and its intentions.
- c. Enlist the help of a local NGO to engage the leaders of the fishing village. Educate the leaders on the benefits of the resettlement. Build trust between the government and the leaders. Ensure that the LG follows through on its commitments.
- d. Fishing village resettled. Health of Children improved. Improved sanitation. Improved relationship between the government, NGO, and the people. Improved local government capacity.

3. Demonstrate that trust can be built between the government and the people through local process and participation.

**MONGOLIA**  
**Mendsaihan**

***Environmental Service: Solid Waste Management***

**Community:** Ger (uyrt) district

**Background Information:** About 60% of the capital city population live in Ger district. The solid waste collection and disposal service is irregular in this area; therefore, people forced to dump their garbage outside without proper disposal. People live in dirty, polluted environment with plastic bags flying around in the air. The Government fee collection system doesn't work. Fees are not enough to cover service expenses. No recycling facility exists.

**Positive Factor:** Willingness of the community to live in a clean environment

**Actions to be taken:** Public education through different means of media. Develop partnership between district authorities and community – create solid waste management board. The role of the board could be help to design efficient methods of garbage collection and disposal and of service monitoring. Technical support and some funding from the government.

**Expected Result:** Regular service and increased coverage of garbage collection.

***Economic Development: Creation of “One-Stop Center” for new businesses***

**Community/Municipality:** Ulaanbaatar City

**Background Information:** It takes a long time to start a new business: to get registered; receive licenses, permissions from different Ministries, agencies.

**Positive Factor:** The Chamber of Commerce and Industry of Mongolia (NGO) and the Government are interested in supporting the creation of an “one stop center” for new businesses.

**Actions to be Taken:** To assist in starting a dialogue between the Chamber of Commerce and Industry of Mongolia (NGO) and the Government (linkage). To reach into an agreement and develop an action plan to create the Center.

**Expected Result:** less time to establish new businesses – contribution to private sector growth.

***Social Service: Vocational Training Center for Disadvantaged Youth***

**Community/Municipality:** Ulaanbaatar City

**Background Information:** There is a huge problem with street children, disadvantaged youth in Mongolia. Social welfare programs from the Government side are most difficult to implement with their scarce resources. At this point, any assistance from domestic and international community is welcome. The Law on NGO of Mongolia states that NGOs could share certain responsibilities of the State.

**Positive Factor:** The Government is willing to receive assistance from NGO and other public organizations on this issue.

**Actions to be taken:** The Government with the assistance of NGO could create Vocational Training Center for disadvantaged youth. Government could provide promises and NGO funding for equipment, trainers

**Expected Result:** Disadvantaged youth will obtain job skills; chance to be hired for the job will increase

## **MOROCCO**

### **Greater Agadir**

#### **I. Economic Development: Land Development for Investment**

- a). Positive factors: Strong economic pole, potential to draw diversified investments, demand exists; Institutional and individual willingness to be flexible within the system and try/experiment other ways of managing/approaching problems.
- b). Enhancement of Positive Factors: Create a quality dialogue and mechanisms, between private and public sectors to work through constraints, needed incentives, concerns, etc.
- c). Develop economic development strategies for Greater Agadir  
Create a totally new institution – Gichet Unique and devolution of authority from local institutions to this new entity  
(Requires information sharing between existing institutions and identification of common goals).
- d). Use this “pilot” to demonstrate how decentralized decision making can have an impact across institutions. Should lead to a change in the law that deals with devolution of central authorities to local authorities (other than local representatives of central ministries).

#### **II. Environemental Services: Industrial Pollution**

- a). Positive factors : Institutional and private sector willingness to introduce new ways of doing business and new technologies; Green labeling by international companies and countries to which Morocco exports; Local Government pushing industries to have social conscientiousness; EMS completed.
- b). Enhancement of Positive Factors: Implement EMS as a tool; create atmosphere for the full engagement of the Chambers of Commerce and Industry and Fisheries, and the sector associations of agriculture, tourism and fishing.
- c). Creation of incentives: cost-savings for industry  
Creation of a grant of loan pool to fund pilot projects – donors, government (MOE, associations; matching funds  
Capacity building in the enforcement area.
- d). Enforcement/redefinition of either the role of the MOE at the local level to make it more effective and/or create an environmental department within local government.

III. Social/Human Services: Reintegration of Street Children/Women-Prostitutes

- a). Positive factors : Social programs already exist, just need to be reoriented; model already exists in a nearby city.
- b). Enhancement of Positive Factors: Awareness campaign – health, education, police, chamber of commerce, hotels/tourism industry, local government, private sector, philanthropists.
- c). Create a task force of motivated individuals
  - Relook at strategies to refocus health, literacy/education, skills training.
  - Leveraging of funding and other resources
- d). Targeting of specific problems/groups by local task force (local and national entities); local administrative authority. Integrated local approach to local problems requires all levels of government; especially at the dissemination/replication stage.

3. Capacity Building

## **PANAMA**

### **ECONOMIC DEVELOPMENT**

#### **1. PANAMA: LA CHORRERA**

#### **2. FUNCTIONAL ASPECT: ECOTURISM**

##### **a. POSITIVE FACTORS:**

##### **1) ACCESSIBILITY TO PANAMA CITY AND PANAMA CANAL**

###### **a. GOOD ROADS**

##### **2) MANY NATURAL ATTRACTIONS**

##### **3) COMMUNITY INTEREST**

##### **b. THESE TWO FACTORS CAN BE ENHANCED BY:**

##### **1) TRAINING THE COMMUNITY**

##### **2) DEVELOPING FACILITIES, USER FEE FOR COMMUNITY**

##### **3) SIGNS ON ROADS**

##### **c. NATIONAL TOURISM INSTITUTION SHOULD INCLUDE THE MUNICIPALITIES IN THE ACTIONS PLANS FOR THE AREA.**

##### **d. RURAL EMPLOYMENT**

**INCOME, WHILE MAINTAINING ENVIRONMENTAL QUALITY**

#### **2. THE NATIONAL GOVERNMENT IS INTERESTED IN SOLVING THE PROBLEM OF UNEMPLOYMENT, THEREFORE ALL THE NECESSARY ASSISTANCE AND RESOURCES SHOULD BE PROVIDED TO THE MUNICIPALITY TO ACCOMPLISH THIS OBJECTIVE.**

### **FUNCTIONAL ASPECT: ENVIRONMENTAL SERVICES – INTEGRATED SOLID WASTE MANAGEMENT**

##### **A. POSITIVE FACTORS:**

##### **1. AWARENESS OF THE COMMUNITY FOR PROTECTION OF THE PANAMA CANAL WATERSHED**

##### **2. CONCERN OF COMMUNITY TO SOLVE A LONG LASTING PROBLEM**

B. ACTIONS:

1. EDUCATION TO COMMUNITY
2. RECYCLING PROGRAMS

C. MUNICIPALITY SHOULD HAVE ACTIONS PLANS TO IMPLEMENT ACTIVITIES

D. THE GOVERNMENT IS INTERESTED IN THE PROTECTION OF THE PANAMA CANAL WATERSHED FOR TRANSIT OF SHIPS THRU THE PANAMA CANAL

3. MUNICIPALITIES SHOULD INFORM THE COMMUNITIES OF PLANS FOR INTEGRATED SOLID WASTE MANAGEMENT

FUNCTIONAL ASPECT: SOCIAL/HUMAN SERVICES:IMPROVING THE LIVING CONDITIONS OF WOMEN IN THE COMMUNITIES THAT WILL BE BENEFITED WITH ECOTURISM ACTIVITIES

A. POSITIVE FACTORS:

1. WOMEN INTEREST PROVIDING INCOME TO FAMILY
2. NON-GOVERNMENTAL INSTITUTIONS THAT CAN PROVIDE ASSISTANCE

B & C.ACTIONS;

- 1.CAPACITY BUILDING;
2. WOMEN'S GROUPS

C. EXPECTED RESULTS:

1. IMPROVING HEALTH CONDITIONS
2. IMPROVING INCOME GENERATION

3. MUNICIPAL COUNCIL AND MAYOR SHOULD BOTH AGREE THAT THESE IS OF GENERAL INTEREST TO SOLVE THE HIGH UNEMPLOYMENT RATE OF THE AREA.

## **PERU**

### **Exercise: Applying Lessons Learned**

#### **Peruvian Decentralization Process is a must!!**

##### **Context:**

- High concentration of power in the executive branch
- Lack of rule of law
- Weak balance of powers
- Municipal Autonomy affected by central government
- Increase practices of citizen participation
- High levels of social pressure demanding for democracy

##### **Main Action to Strengthen Peruvian Decentralization Process**

Change the National Budget Law to increase municipal resources, specially for poorest areas  
Promote and support the process of legislation reforms on the current municipal and decentralization laws

Strengthening institutional capacity : develop a national program to improve management skills  
an efficiency of municipalities (accountability, customer services)

Increase citizen awareness on rights and responsibilities

Strengthening of civil society organizations

##### **Exercise on Strategic Plan**

Location: Huanta City (Rural Province)

#### **1. Economic Development**

Functional Aspect: Agro-Industry and Soil Conservation

Positive Factors:

- a. High Quality fruit products: Palta(Avocado) and “Tuna” (native fruit from highlands)
- b. Close to several regional markets
- c. Tuna is a natural protector of soil

Main Activities:

- a. Develop a citizen education program on environmental involving public schools, media, and local organizations)
- b. Develop participatory planning process on marketing strategies (this process should include municipality, farmer associations, private sector, and regional government representatives
- c. Promote regional partnerships



Expected Results:

- a. Mid-term strategic plan implemented
- b. Increase production of high value fruits
- c. Citizens better informed and more conscious on environmental care
- d. Increase income
- e. Position City as a regional economic center

## **2. Social Service**

Functional Aspect: Basic Education

Positive Factors:

- a. Positive political context and clear political will to promote decentralization
- b. Strong leadership of the Huanta Mayor who is leading a regional decentralization pilot experience
- c. Community and civil society sensibilized in favour of decentralization process

Main Activities:

- a. Establish a multi-sectorial team work on education (“mesa de concertacion)
- b. Identify the main issues to be resolved in education sector (participatory diagnosis)
- c. Design and develop a pilot program
- d. Develop strategic plan on education

Expected Results:

- a. Improve quality and access to basic education
- b. Improve teachers conditions (increase salaries and improve skills)
- c. Children better prepared

## ROMANIA

### Applying Lessons Learned

#### 1. COMMUNITY: CONSTANTA CITY, ROMANIA

##### 2. a) Economic development:

- **Functional aspect:** strategic planning for the city economic and social development.

Positive factors:

*\* awareness of city councilors about the need of strategic planning according to other cities positive experience:*

Case studies and tours for the local elected officials that could enable a better understanding of mechanisms that could facilitate a proper start of the strategic planning process. Setting up the necessary institutional frame (the local development agency) whose main task should be the development of the strategy and to ensure citizens' and other institutions' participation in the process of adopting it.

Actions:

- organize study tours to Sibiu and Sibiu Development Agency
- analyze the Sibiu case study and decide on its applicability to Constanta
- draft the regulation establishing the Constanta Development Agency
- Constanta county approves the establishment of the Agency

Expected Results:

- local council has a better understanding of the role of strategic planning for the economic development of the city
- Constanta Development Agency established and functional by next year
- Development strategy developed, promoted and approved as the first objective of Constanta Development Agency

\* the economic potential of the biggest Romanian city port at the Black Sea.

Improvement of the communication between the local government and the business community (jointly analyze the bureaucratic obstacles that hamper suitable economic development, negotiation for local incentives that can be granted by local government etc).

Maintain business contacts in order to attract new investors in the area.

Improve port services for customers and bring them to western standards.

Actions:

- organize working groups including representatives of the local government and business community
- working groups propose solutions for local council's debate and approval
- design marketing strategy for Constanta city
- create a Customer Service in the port; train its staff to ensure the quality of services

Expected Results:

- SWOT analysis done by the working groups
- Solutions debated and approved by the local council
- Marketing strategy for Constanta city designed and implemented by next year
- Customer Service established and staff trained

**b) environmental services:**

- **Functional aspect:** preserve the natural habitat in the Constanta harbor.

Positive factors:

\* existing active NGOs in the environmental field.

Strengthening the ability of the NGOs to facilitate communication between the local government and the citizenry.

NGOs act as the channels through which citizens voice their environmental concerns.

Creation of the legal and institutional framework enabling cooperation between NGOs and local authorities.

Actions:

- organize training sessions and exchanges with NGOs experienced in working with local government
- provide assistance to NGOs to develop an outreach strategy
- improve the activity of the existing Citizens' Information Center (training for its staff, build awareness among NGOs and citizens)
- establish an NGO Department within the municipality

Expected Results:

- outreach strategies developed and implemented by environmental NGOs
- communications improved between NGOs, local government and citizens
- NGO Department established and operational by next year

\* existing international financial programs for environmental issues.

Know-how transfer to NGO activists on project development, implementation and monitoring.

Communication with international donors to identify existing environmental programs.

Actions:

- training sessions for NGO activists
- organize roundtable with donors active in the environmental area

Expected Results:

- environmental programs designed and promoted by local NGOs and funded by international organizations

c) **social services:**

- **Functional aspect:** de-institutionalization of children from orphanages.

Positive factors:

\* existing legal and regulatory framework for foster care.

Build citizens awareness about the existing framework and about the issues related to institutionalized children.

Actions:

- design and implement a media campaign
- identify opinion leaders that can advocate for foster care

Expected Results:

- media campaign designed and implemented, resulting in increased awareness of citizens
- opinion leaders publicly debate over foster care system

\* existing willingness of families to enter into the foster care programs.

Recruitment and training of potential foster care families.

Secure financial resources for the foster care program.

Actions:

- design the profile of a foster care family
- organize the selection and training process
- lobby the local council and business community to allocate the financial resources

Expected Results:

- foster care family profile defined
- foster families selected and trained
- financial resources secured from county and local councils and other sponsors

### **3. Dissemination**

Organize a conference with the National Union of County Councils and the Federation of Municipalities to present the Sibiu and Constanta strategies. Work with the representatives of these two local government associations to design action plans to replicate the programs in Sibiu and Constanta to the other LGUs in Romania.

The Regional Training Centers should be involved in the dissemination process, providing support to local governments to implement their specific action plans. This should insure the sustainability of the dissemination process countrywide.

## SLOVAKIA

City of Bardejov, Eastern Slovakia  
**Economic Development**

Factors	Description	Enhancing the factors/Actions recommended	Expected result
<ul style="list-style-type: none"> <li>• City leadership</li> <li>• Reputation / resources</li> </ul>	<ul style="list-style-type: none"> <li>• Mayor and CC</li> <li>• Spa, historical center of the city, sources of drinking mineral water</li> </ul>	<p>By establishing a LED Steering committee (involving private sector, schools, NGOs, etc.) to develop:</p> <ul style="list-style-type: none"> <li>• Marketing/Public Relationship Plan (private sector, schools...)</li> <li>• Local Education/Public Awareness Program (using the capacity of NGOs)</li> </ul>	<ul style="list-style-type: none"> <li>• Promote the city and its natural resources(brochures, web page, articles...)</li> <li>• Cooperate with different Agencies (state, DRA) to attract the tourists, investors</li> <li>• Trying to take the advantage of mineral water springs for development of local business</li> <li>• Convincing the citizens about the incentives of self-employment, introducing them to basic principals of entrepreneurship, legislation, etc.</li> <li>• Cooperation with other spa cities within the country, region</li> </ul>

City of Bardejov, Eastern Slovakia

**Environmental services – Improving the quality of the environment in Spa area (waste collection and transportation)**

Factors	Description	Enhancing the factors/Actions recommended	Expected result
<ul style="list-style-type: none"> <li>• City operated “Public Transportation” company</li> <li>• City operated “Public Works” company</li> </ul>	<ul style="list-style-type: none"> <li>• Both entities are well established, operating well and do have a potential for further expansion of services provided</li> <li>• Reps of both companies are members of the LED Steering Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Renovation of existing parking facilities; building the new ones outside the spa area; introducing the fees</li> <li>• Introducing the environment-friendly transportation within the spa area</li> <li>• Placement of large # of the of waste bins in walking areas</li> <li>• Organizing the “waste patrols” hiring the unemployed citizens on a part time basis</li> </ul>	<ul style="list-style-type: none"> <li>• Existing parking facilities to accommodate the needs</li> <li>• Transportation system developed protecting the healthy environment in resort</li> <li>• Better access to waste bins which will prevent polluting the area</li> <li>• “waste patrols” to assure the environment remains clean regardless the attitude the visitors towards the environment</li> <li>• New instruments of generating the revenues</li> </ul>

City of Bardejov, Eastern Slovakia

**Social services – Education/Increased awareness program**

Factors	Description	Enhancing the factors/Actions recommended	Expected result
<ul style="list-style-type: none"> <li>• Hotel Academy</li> <li>• University</li> </ul>	<ul style="list-style-type: none"> <li>• High school students of which are considered to be future hotel managers, financial managers of hotels, but also the chefs, waiters etc.</li> <li>• Faculty of management</li> </ul>	<ul style="list-style-type: none"> <li>• Giving the students of HA the opportunity to organize their “practice” in the spa resort (hotels, restaurants etc.)</li> <li>• Developing – in cooperation with LED SC- the curriculum for awareness program for the citizens interested in developing own businesses</li> <li>• Negotiating with the University to help develop the evening courses for the interested parties</li> </ul>	<ul style="list-style-type: none"> <li>• Helping the students to accomplish their compulsory practice, benefiting from having the contacts and relationship developed with the students for further potential employment</li> <li>• Using their service during the conferences, receptions etc. (lower costs)</li> <li>• Building the model of cooperation with the university and curricula that can be used in many other cases in future</li> <li>• Developing the relationship with university to have their events organized in the resort and thus promoting it</li> </ul>